

**MINUTES
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
HELD AT CITY HALL
DECEMBER 21, 1999 - 7:00 P.M.**

ROLLCALL Answering rollcall were Commissioners Faust, Hovland, Kelly and Chair Maetzold.

CONSENT AGENDA Motion made by Commissioner Hovland and seconded by Commissioner Faust approving the Housing and Redevelopment Authority Agenda as presented.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold

Motion carried.

***MINUTES OF THE REGULAR MEETING OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY FOR DECEMBER 7, 1999, APPROVED** Motion made by Commissioner Hovland and seconded by Commissioner Faust approving the Minutes of the Regular Meeting of the Edina Housing and Redevelopment Authority for December 7, 1999.

Motion carried on rollcall vote - four ayes.

LETTER OF INTENT PRESENTED FOR KUNZ/LEWIS REDEVELOPMENT Director Hughes commented that staff has concluded negotiations with Opus Norwest LLC, and REC, Inc. with respect to the Letter of Intent for the Eden Avenue redevelopment project. The Letter of Intent reflects staff's understandings concerning the development of the Eden Avenue properties. This Letter of Intent is not binding in nature but will serve as the foundation for redevelopment agreements which will be entered into this winter. Director Hughes gave high points of the Letter of Intent with a brief explanation.

1. The concept plan shows the Library/Senior Center complex has been moved further west on the site and has traded places with the office development.
2. The Letter of Intent provides that the HRA is responsible for the Library/Senior Center complex as well as improvements related to those uses.
3. Opus Clark is responsible for all negotiations and costs of acquiring additional property that would be necessary for the development as well as all site improvements with the exception of the site improvements associated with the Library/Senior Center
4. Opus Clark will convey the property necessary for the Library/Senior Center to the HRA at no cost.
5. The HRA will adopt condemnation resolutions and proceed with condemnation if is requested and only if requested by Opus Clark.
6. Opus Clark will contribute 3.7 million dollars to the HRA as an equity contribution to the project, payable no later than November 30, 2001. The HRA will issue a pay-as-you-go note to Opus Clark in the amount of \$7,716,000. The amount could increase or decrease depending on the actual cost of land acquisition.
7. Opus would serve as architect and construction manager for the Library/Senior Center building.

8. The pay-as-you-go note will be subordinate to any old or new debt that is issued by the HRA. Tax increments generated from this development as well as the remainder of the district will go first to pay the general obligation bonds both old and new of the HRA. Only the remaining increments that are generated after the general obligation bonds are paid would be applied to the pay-as-you-go note.
9. The Letter of Intent is non-binding. The parties have agreed to use their best efforts to enter into a binding redevelopment contract with the HRA no later than March 21, 2000.

Additionally, staff has prepared an agreement between the City and the HRA with respect to the Library/Senior Center which would serve to solidify the obligation required by December 31, 1999.

Staff's opinion is that the Edina Housing and Redevelopment Authority's interest are met by this Letter of Intent and would recommend approval.

Chair Maetzold noted that Director Hughes had met with each Commissioner individually with regard to the Letter of Intent.

Commissioner Kelly and Commissioner Faust both noted they had perused the document thoroughly and had no questions.

Commissioner Hovland commended everyone concerned with the document for the fine job. He asked if the Library Board concurred with the building relocation. Director Hughes elaborated that staff has been in contact with the Hennepin County Library staff which are happy with the relocation. Commissioner Hovland inquired that in return for Grandview not paying the HRA the 3.7 million dollars until November 30, 2001, the \$175,000 would be for carrying costs. Director Hughes said the \$175,000 would be required at the time of the execution of the redevelopment agreement and approximates the carry costs on the borrowing that the HRA did to acquire the land. Commissioner Hovland further inquired about the Wanner property. Director Hughes the Wanner property is not part of the Letter of Intent. It is not part of the redevelopment project proposed by Opus Clark. It was included, as well as the bus garage, in the Amendment to the Tax Increment Financing Plan.

Chair Maetzold asked whose responsibility it would be to pay for the cleanup if there were environmental issues on the site. Director Hughes noted that issue needs to be clarified in the redevelopment agreement. Opus Clark would have time to evaluate the condition of the property and could elect to go ahead or not. If cleanup issues exist it would be subject to further discussion. Chair Maetzold asked if the executed Letter of Intent pass the test for tax increment financing purposes. Attorney Gilligan said either the agreement between the HRA and the City or the Letter of Intent should suffice. Chair Maetzold asked what process is next. Director Hughes said two things should happen, a formal redevelopment agreement would be drafted and on a parallel track, Opus Clark should start to work with property owners and start to refine the plan to a schematic design level of detail for submission to the Planning Commission.

Commissioner Faust stated while this may be premature, she voiced concern with the placement of the door on the Senior Center. She asked that the door be placed closest

to the parking lot. Director Hughes said the concept is the Library/Senior Center is a two story building with a rear yard walkout accommodating the Senior Center entrance.

Chair Maetzold called for comments from the audience. No comments were made.

Commissioner Faust made a motion authorizing the Letter of Intent between Opus Norwest LLC, REC, Inc. and the Hennepin County Library Association with respect to the Eden Avenue Redevelopment in Edina. Commissioner Kelly seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold
Motion carried.

BID AWARDED FOR CENTENNIAL LAKES SOUTH PARK - PHASE 3, IMPROVEMENT R-18 Director Hughes noted the award of bid for the Centennial Lakes South Park, Phase 3, Improvement R-18 is the last major public bid for all of Centennial Lakes. The project is funded through HRA funds for work proposed for 2000.

Commissioner Kelly made a motion for award of bid for Centennial Lakes South Park Improvements, Contract 99-3 (HRA), Improvement No. R-18 to recommended low bidder, Thomas and Sons Construction Inc., at \$785,436.00. Commissioner Hovland seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold
Motion carried.

CLAIMS PAID Motion made by Commissioner Hovland approving the Check Register dated December 15, 1999, and consisting of one page totaling \$78,129.25. Commissioner Kelly seconded the motion.

Rollcall:
Ayes: Faust, Hovland, Kelly, Maetzold
Motion carried.

There being no further business on the HRA Agenda, Chair Maetzold declared the meeting adjourned at 7:20 P.M.

Executive Director